APPENDIX A
FISCAL IMPACT MODEL

The Town of Greece developed a fiscal impact model to judge the various development scenarios envisioned by the 1992 Master Plan and to create an objective decision-making tool to develop a proper balance in the property tax base.

The Center for Governmental Research Inc. (CGR) reviewed the town's model and results and stated in their report: "The fiscal impact model developed by the Town of Greece appears well suited for evaluating the cost feasibility of the proposed Master Plan." The methodology employed is the Proportional Valuation Method. The analysis is based on the proportion of development of the total real property valuation.

The CGR named several recommendations to enhance the model. These included:

- Overlay and spread future estimates for other town revenues, as it did the property tax.
- Use actual revenues rather than budgeted.

The town's report concluded that non-residential development subsidizes the cost of providing services to the town's residential land uses.

For the evaluations of the fiscal impacts of the updated master plan for the Year 2000, it was decided to use the method and approach as documented by the town for the analysis of the 1992 Master Plan.

The rationale for this approach is:

- There have not been significant changes in existing land uses since 1992.
- Provides consistency for comparisons.
- The CGR reviewed the application and results and found them to be valid.
- The two enhancements recommended by the CGR have been incorporated.

Fiscal Impact Analysis Approach

The following steps will be applied to evaluate the fiscal impacts of development of the Town of Greece – Town Government as a result of full build-out under the current zoning and the recommended balanced community scenario:

1. The town staff interviewed department heads to determine cost of services associated with land uses as a percent. This was verified by the CGR. The CGR stated that this assumption is accurate over time as long as the population does not exceed 200,000. This analysis will be incorporated in this report.
2. The revenue generated by each land use category, as a percent of assessed value, will be calculated for property taxes using the year 2000 assessment roll.
3. Estimated the spread of other revenues from the 1999 Financial Statements other than property tax over the land use categories and recalculated the percent of total revenues for each land use category.

4. Determine the variance as a percent in cost and revenue for each land use category for the Town of Greece using total revenues.
5. Estimate the assessed value calculations due to new development under the current zoning to build-out.
6. Add the assessed values for new development to build-out to current values and apply percent of total revenues. Determine variance as a percent in cost and revenues.
7. Apply Step 6 for the recommended balanced community scenario.

Table No. 1
Distribution of Cost
By Development Category for Town Government

Category	Cost Percent
Residential	80.0
Commercial	17.5
Industrial	1.1
Utilities	0.4
Vacant	0.0
Total	100.0

This Table is the result of staff interviews of department heads to determine apportionment of cost by land use categories. It was verified by the CGR and they considered it to be valid over time as long as the population does not exceed 200,000. The single-family and multi-family categories are consolidated as one category. Also, the office-commercial and retail-commercial categories are consolidated.

Table No. 2
Distribution of Property Tax Revenues
By Development Category for Town Government

Categories	Property Tax Revenue Percent
Residential	72.0
Commercial	16.7
Industrial	4.7
Utilities	1.7
Total	100.0

The percent of property tax revenues for each land use category was derived from the Year 2000 assessment rolls.

Table 3
Distribution of Total Revenues
By Development Category for Town Government

Categories	Total Revenues Category Percent
Residential	73.1
Commercial	15.3
Industrial	7.3
Utilities	3.3
Vacant	1.2
Total	100.00

The estimate of total revenues was determined from the prorated valuation for property tax by land use category calculated in Table No. 2 and then spreading the other non-property tax revenues over the land use categories. Their prorated share then is estimated and the percent of total revenues for each land use category is recalculated. This is the enhancement recommended by the CGR.

Table No. 4
Current Distribution of Revenue and Cost
By Development Category to Determine Variance
For Town Government

Category	Total Revenue Percent	Cost Percent	Variance Percentage Points
Residential	73.1	80.0	–6.9
Commercial	15.3	17.5	–2.3
Industrial	7.1	1.1	+6.0
Utilities	3.3	0.4	+2.9
Vacant	1.2	0.0	+1.2

This Table analyzes the comparison between the total revenues generated by land use to the Town Government and the total cost of services as a percent by land use category. The conclusion from this analysis is that currently, residential land use produces a deficit of –6.9 percent between the revenues it generates and the cost for town services, while industrial land use has a 6.0 percent surplus. These results are similar to those in the 1992 study.

Table No. 5
Estimate of Assessed Value Due to New Development
Under Current Zoning to Build-out

Category	Additional Units or Sq. Ft. Building	Cost Per Unit Or Per Sq. Ft.	Full Value
Single Family	12,917	$140,000 (1)	1,808,380,000
Multi Family	2,575	85,000 (1)	218,875,000
Total Residential			**2,027,255,000**
Commercial	4,439,000	$90/sq. ft.	399,510,000
Industrial	14,180,000	$70/sq. ft.	992,600,000
Vacant			–45,705,000

(1) Includes land

A build-out analysis was calculated based on the amount of vacant land available by land use categories under current zoning. This is a theoretical analysis to demonstrate the magnitude of potential development until build-out.

This Table reflects the full assessed value due to new development only under current zoning and to build-out.

Table No. 6
Current Assessed Value Compared to Future
Development Assessed Value and Build-out Assessed Value
At Full Value

Category	Current Assessed Value		Future Development Assessed Value		Build-out Assessed Value	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Residential	$3,028,797,000	72.0	$2,027,255,000	60.0	$5,056,052,000	66.7
Commercial	704,402,000	16.7	399,510,000	11.8	1,103,912,000	14.6
Industrial	198,827,000	4.7	992,600,000	29.4	1,191,427,000	15.7
Utilities	206,388,000	4.9	0	0.0	206,388,000	2.7
Vacant	69,616,000	1.7	(45,705,000)	–(1.4)	23,911,000	0.3
	4,208,030,000	100.00	$3,373,660,000	100.0	$7,581,690,000	100.0

This Table documents the current assessed value (Year 2000) at full value of land use by category and as a percent as shown in Table No. 2. The assessed value at full value for development from the Year 2000 to build-out in accordance to current zoning is also documented from Table No. 5. The sum of these two assessed values forecasts the assessed values at build-out and their percent of the total in Year 2000 dollars. A comparison between the Year 2000 and build-out shows that industrial land uses increased from 4.7 percent of the total to 15.7 percent. This is due to the large amount of vacant zoned industrial land (1,374 acres). This raises the question: Is there a market in the future to support the development of 1,374 acres?

Table No. 7
Summary of Fiscal Impact
At Build-out for Town Government

Category	Total Revenue Percent	Cost Percent	Variance Percentage Points
Residential	67.6	80.0	−12.4
Commercial	13.4	17.5	−4.1
Industrial	17.0	1.1	+15.9
Utilities	1.8	0.4	+1.4
Vacant	0.2	0.0	+0.2

This Table summarizes the impacts of total revenues and total cost as a percent by land use categories for the build-out scenario in accordance with current zoning. The percent of total revenues is derived from Table No. 3 and Table No. 6. The cost is derived from Table No. 1. The result shows a large negative variance (negative fiscal impact) from residential at –12.4 percent and a large positive variance (positive fiscal impact) from industrial. These results indicated that in developing a recommended land use scenario for the plan update, the intensity of residential land use should be reduced. It also calls for an examination of industrial land use, if the magnitude is in fact realistic.

Table No. 8
Estimate of Assessed Value Due to New
Development under Recommended Balance Community Scenario

Category	Additional Units or Sq. Ft. Building	Cost per Unit Or Per Sq. Ft.	Full Value
Estate Residential	1,433	200,000	28,600,000
Single Family	8,440	140,000	1,181,600,000
Multi Family	2,044	85,000	173,740,000
TOTAL RESIDENTIAL			1,383,940,000
Commercial	2,000,000	$90/sq. ft.	180,000,000
Industrial	6,050,000	$75/sq. ft.	423,500,000
Vacant			−45,705,000

A build-out scenario was developed for the Master Plan Update based in part on a preliminary fiscal impact analysis. The scenario reduced the intensity of residential development to reduce the fiscal impact, as well as other impacts on the town and the Town Government.

The vacant land for commercial and industrial uses also was reduced to appropriately reflect the market over the next several years until build-out. This new scenario is the recommended balanced community proposal for the Plan Update.

Table No. 9
Current Assessed Value Compared to Future Development
Assessed Value and Build-out Assessed Value
For Recommended Balance Community Scenario

Category	Current Assessed Value		Future Development Assessed Value		Build-out Assessed Value	
	Dollars	Percent	Dollars	Percent	Dollars	Percent
Residential	$3,028,797,000	72.0	$1,383,940,000	71.3	$4,412,737,000	71.7
Commercial	704,400,000	16.7	180,000,000	9.3	884,402,000	14.4
Industrial	198,827,000	4.7	423,500,000	21.8	622,327,000	10.0
Utilities	206,388,000	4.9	0	0.0	206,388,000	3.4
Vacant	69,616,000	1.7	45,705,000	–(2.4)	23,911,000	0.4
	$4,208,030,000	100.00	$1,941,735,000	100.0	$6,149,765,000	100.0

This Table documents: (a) the current assessed value (Year 2000) at full value of land use by category as shown in Table No. 2; (b) the full assessed value for development from the Year 2000 to build-out in accordance with the recommended balanced community scenario documented from Table No. 8; and c) the sum of (a) and (b) forecasts the full value at build-out and their percent of the total in Year 2000 Dollars. A comparison between the current percent of land use and build-out shows that residential and commercial decrease slightly, while industrial increases significantly. This results in a more balanced community, consistent with its current composition.

Table No. 10
Summary of Fiscal Impact
At Build-out for Balanced Community Town Government

Category	Total Revenue Percent	Total Cost Percent	Variance Percentage Points
Residential	72.7	80.0	–7.3
Commercial	13.2	17.5	–4.3
Industrial	11.5	1.1	+10.4
Vacant	0.3	0.0	+0.3

This Table summarizes the impacts of the variance of total revenues and total cost as a percent by land use categories for the recommended balanced community scenario. The percent of total revenues is derived from Table No. 3 and Table No. 9. The cost is from Table No. 1. The results show a reduction in the negative variance from the current zoning build-out scenario from –12.4 percent to –7.3 percent. The industrial land use still is a significant positive at 10.4 percent. This scenario calls for a reduction in the current vacant industrial and commercial land uses, and a reduction in intensity of residential land use. These issues will be fully discussed under Growth Management.